

STATISTICAL BULLETIN

Highlights

- LABOR MARKET IS COOLING
- CONSUMER SPENDING IS MODERATE. SPENDING POWER IS GROWING SLOWLY
- NEW ORDERS REMAIN SOFT
- EXPORT GROWTH IS SLOWING
- INDUSTRIAL OUTPUT GROWTH IS SLUGGISH AND CAPACITY UTILIZATION RATES ARE DECLINING.
- ON THE INFLATION WATCH: FORECASTERS SEE NO CAUSE FOR CONCERN. FINANCIAL MARKETS ARE NOT SO SURE.
- OUTLOOK • U.S. ECONOMIC GROWTH IS SLOWING IN THE FOURTH QUARTER OF 1989. SLUGGISH GROWTH RATES OF ONLY ABOUT 1.5% BY MID-1990. BUT NO RECESSION.

Volume 22, No. 10, October, 1989

CONTENTS

Comment	2-3
Status of Leading Economic Indicators	4
Diffusion Indexes	5
Business Executives' Expectations	5
Economic Forecasts	6-7
Key Determinants of Profit Margins	8
Selected International Comparisons	9
Help-wanted Advertising Indexes	10
Consumer Confidence and Expectations	11
Capital Appropriations	11
Automobile Sales	12

The Conference Board



THE CONFERENCE BOARD'S STATISTICAL BULLETIN COMMENTARY

OVERVIEW: It is clear that the U.S. economy is now growing more slowly. What is less clear is whether inflation will remain manageable. To illustrate: The day markets learned the unemployment rate went from 5.2% in August to 5.3% in September, newscasts were filled with speculation about an interest rate cut, as a way of keeping the economy from slipping too far. Exactly one week later, the announcement of an unexpectedly high 0.9% rise in wholesale prices put an end to any talk of an imminent interest rate cut—and an end to a bullish stock market.

The consensus of the **Economic Forecasts** is that economic growth is unlikely to slip below 1 1/2% over the next four quarters, and inflation is unlikely to rise by more than 4 1/2% over the same period.

These forecasts also indicate that the economy will start growing faster (in a range of 2 1/2% to 3 1/2%) in the second half of 1990, and into 1991. Some analysts predict inflation if the economy sustains a growth rate above 2 1/2% for any length of time. Apparently, while some are worrying about recession, the risk of near-term inflation seems greater.

DOMESTIC MARKET MONITOR

Employment growth is slowing. Durable-manufacturing jobs fell in September for the second month; nondurable jobs declined slightly in September. The rise in service jobs remained solid; the job rise in wholesale and retail trade turned modest.

More modest growth in jobs is offset—partly—by a lengthening workweek. Total hours worked in manufacturing was lower in September than three months earlier but elsewhere, total hours worked was marginally higher.

Overall, the expectation remains one of gradual cooling, not continued declines, in **labor market activity**. The Conference Board's **Help-wanted Index**, a measure of labor demand, was at about the same level in August as in June, and early returns to the September survey suggest it remained level. Finally, the average hourly pay rate rose in September. If the labor market were about to go into a tailspin, employers could be unlikely to start paying higher wages.

INCOME: More modest employment gains in September could limit income growth. But consumer income through August was rising at a fairly rapid clip. Wages in commodity-producing industry were 1.7% higher in August than three months earlier. Wages in the "other industry" category were 2.1% higher. Thus, even if the rise in consumer income slowed a bit in September, it probably remained strong enough to sustain gains in consumer spending.

Consumer credit demand is strengthening. Nonauto borrowing surged in August. Auto loans also picked up in pace, as consumers took advantage of sales promotions. That consumers are willing to take on more debt now is a sign of their confidence that the economy is not about to sink into a recession.

Consumer attitudes also reflect optimism. The Conference Board's **Consumer Confidence Index** stood at 115.4 (1985 = 100) in September, about where it was at the start of the year. The **Expectations Component**, which measures appraisal of job and pay prospects over the next six months, was at 105 in September, compared to 104.1 in January. Thus, consumer willingness to spend, and appraisal of near-term prospects, have remained quite positive. Their willingness to borrow suggests consumers are willing to act on their perceptions.

SPENDING: Retail sales of durable goods, except cars, were 1.6% higher in September than three months earlier. These relatively modest gains in consumer spending—in the presence of income gains, confidence, and demonstrated readiness to borrow—suggests that the shopping spree will be neither euphoric nor endless.

Car buying has peaked for the moment. Promotional incentives attracted customers in August and September. But the promotions are over and new model-year sticker prices have been posted. Car makers realize they have "borrowed" some sales, in that some buyers took advantage of the promotions without waiting to see what the new models and prices looked like. Car production, consequently, has been trimmed.

CONSTRUCTION: Strong consumer confidence and lower mortgage rates, and perhaps the gains in consumer income, helped boost sagging home sales this summer. Another strong factor was that the median price of a new single-family home was only 3.3% higher in August than three months earlier. Still, home sales are not poised to soar: In fact, permits to build new, single-unit homes were only 1.4% higher in August than three months earlier. While home buying won't surge in the last quarter of 1989, it is not likely to start declining again.

Nonresidential construction activity also seems to be over its slump. Office building (public and private) was still declining in August; but commercial and industrial building as well as road construction, was rising.

PRODUCTION: Despite gains in consumer spending, production schedules have been kept lean. Output of consumer durable goods was 1.2% lower in August than three months earlier. That offset a 0.5% rise in output of business equipment, and a 0.3% rise in output of defense- and space-related materiel. Overall, industrial production was

Ken Goldstein, Editor

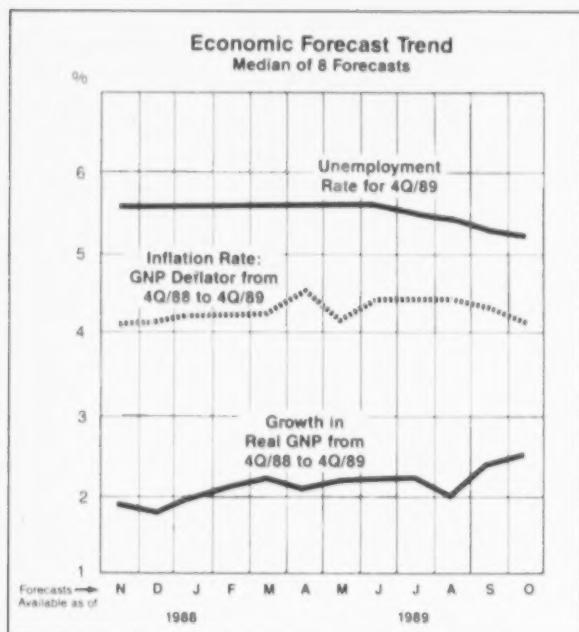
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845 Third Avenue
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The Conference Board, Inc.
Avenue Louise, 207-Bte 5
B-1050 Brussels, Belgium

The Conference Board, Inc.
1755 Massachusetts Avenue, N.W., Suite 312
Washington, D.C. 20036

The Conference Board of Canada
255 Smyth Road
Ottawa, Ontario, K1H-8M7



only 0.6% higher in August than three months earlier. The decline in total manufacturing hours worked in September suggests industrial production probably declined slightly.

Modest gains in industrial production through August and continued strong business investment in plant and equipment have helped lower the capacity utilization rates a trifle. The rate for all industry was 83.8% in August, essentially unchanged for four straight months and lower than the 84.3% rate in January. Thus, the strain on capacity is not building, one indication that inflationary pressure is not escalating, leading some analysts to expect the Federal Reserve to let interest rates come down.

Industrial output growth may not pick up strongly after September. Orders for durable goods, except transportation equipment, were 0.4% higher in August than three months earlier. But the ratio of unfilled orders to shipments was 3.6% lower. Apparently, producers are filling these cyclically-sensitive orders faster than new orders are coming in, even now, when new orders have finally stopped declining.

INVENTORY: Another reason why output growth may remain subdued is that inventory is rising faster than industrial sales. Total inventory, except cars at the retail level, was 1.8% higher in July than three months earlier, while sales declined by 1.4 percent. Consequently, the Inventory-to-Sales ratio, after a long period of little change, was 3.2% higher in August than three months earlier. This suggests that inventory is a little less lean than it was previously. It does not signal a sudden unintended inventory buildup.

INFLATION: The consensus of the **Economic Forecasts** is that the rise in the CPI will remain stable, at a 4

1/2% annual rate from the fourth quarter of 1989 through the forecast horizon. That optimistic assessment is predicated on slower economic growth, and some risks are increasing. Prices for raw industrial materials rose by 0.7% in September, after declining for four months. Wholesale prices for crude materials, except food and energy, rose by 0.3% in September, second monthly rise after declining in each of the prior four months.

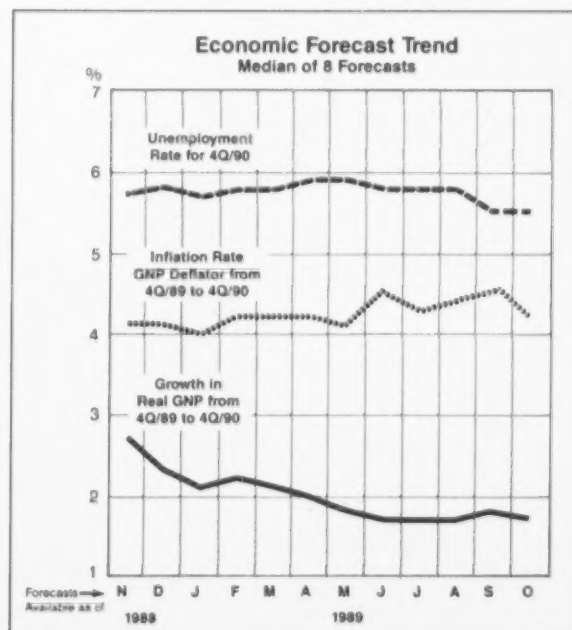
INTERNATIONAL MONITOR

Imports continue to slump. Total imports of manufactured goods were 1.9% lower in July than three months earlier, even though imports of consumer goods, except cars, were 3.8% higher. Imports of cars, capital goods, and industrial materials fell. With industrial output growing very slowly in August and September, imports of industrial materials probably continued to fall slightly.

The bad news is that **exports** have been flat. Total exports were 0.1% lower in July than three months earlier. Shipments of cars and other consumer goods fell, although goods and industrial material rose.

The international financial climate seems to be brightening. The dollar's effective exchange rate was no higher in August than in May, and there was little change in interest rates. The **Domestic-International Discomfort Index (DIDI)**, then, remained flat—after a sizable increase earlier this year. In September, the dollar started to rise a little and now there is talk of lower interest rates again. DIDI, therefore, appears to be back on an uptrend.

Ken Goldstein
October 13, 1989

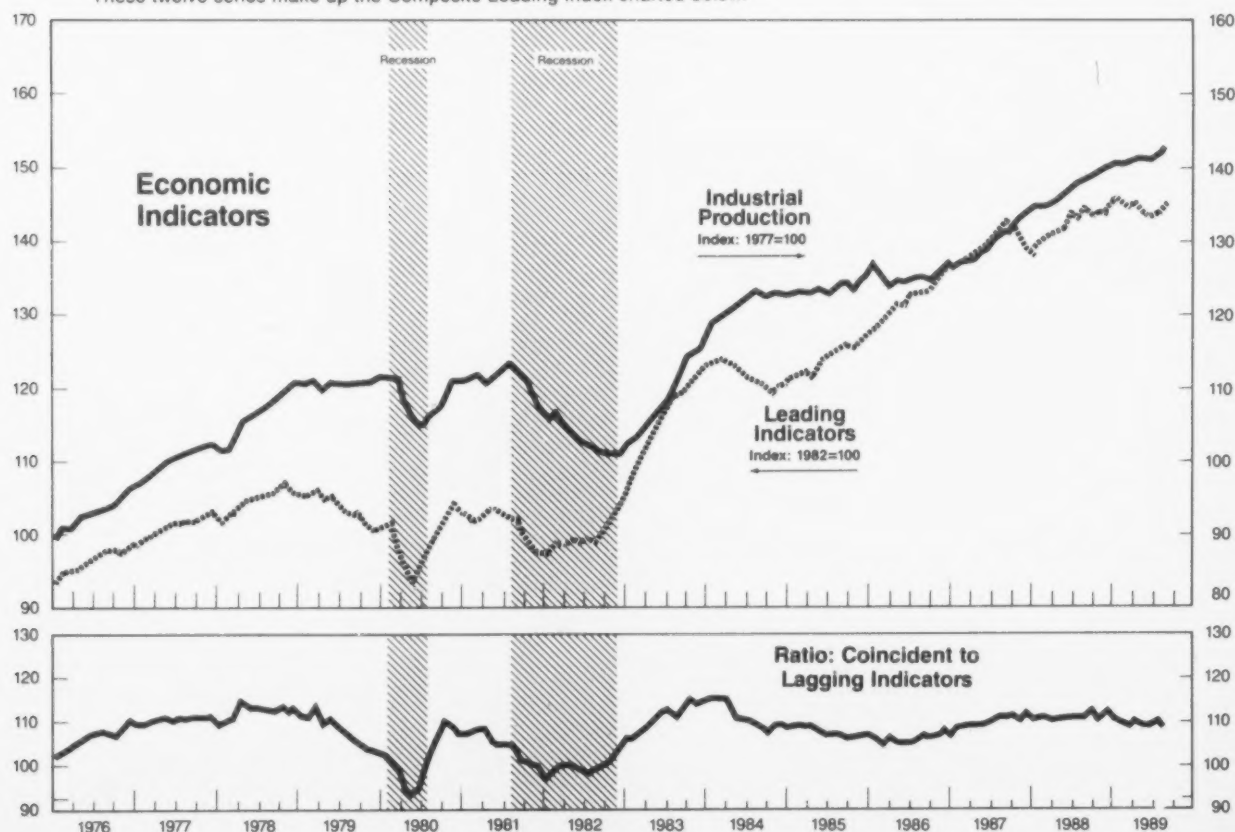


STATUS OF LEADING ECONOMIC INDICATORS

		Rising (Classification based on movement of series over several months)	Level	Declining	Change over Latest Three Months	Change from Year-Ago
Leading Economic Indicators	Aug.		X		0.4%	0.2%
Capital Investment Commitments						
*Contracts and orders, plant & equipment (deflated)	Aug.		X		0.9%	- 5.5%
New orders, nondefense capital goods (deflated)	July		X		- 0.3%	7.1%
New business formation	July	X			0.5%	2.7%
*Housing permits	Aug.		X		- 1.6%	- 9.6%
Inventory Investment and Purchasing						
*New orders, consumer goods & materials (deflated)	Aug.	X			4.8%	5.3%
*Change in unfilled orders, mfg.	Aug.			X	-27.7%	-25.4%
Purchasing manager's buying policy	Aug.			X	- 8.2%	- 8.2%
*Vendor performance, reported slower deliveries	Aug.			X	- 8.9%	-22.2%
Industrial raw materials prices	Aug.			X	- 1.8%	4.7%
*Change in sensitive material prices	Aug.			X	-195.9%	-181.0%
Sensitive Financial Flows						
*Money balance (M2 deflated)	Aug.	X			1.8%	- 1.0%
Change in business loans	July			X	- 31.6%	7.6%
*Consumer expectations	Aug.		X		0.2%	- 9.6%
Change in consumer installment debt	June			X	-20.7%	-44.8%
Profitability						
Total corporate profits, after tax (deflated)	2nd Q			X	- 7.5%	- 7.4%
*Common stock prices	Aug.	X			10.4%	31.4%
Marginal Employment Adjustments						
*Average workweek, mfg.	Aug.			X	- 0.1hr	- 0.1hr
*Initial unemployment claims (inverted)	Aug.			X	- 1.3%	- 6.0%

Note: For a description of the Leading Indicators Composite Index see Bureau of Economic Analysis, *Handbook of Cyclical Indicators*, (Washington, D.C.: Government Printing Office) May, 1977.

*These twelve series make up the Composite Leading Index charted below.



CONFERENCE BOARD DIFFUSION INDEXES

DIFFUSION INDEXES	1988	1989			
	Aug.	May	June	Jul.	Aug (e)
Principal Diffusion Index	57.4	56.1r	54.5r	56.4r	55.9
Auxiliary Diffusion Index	43.2	49.0r	45.0r	56.3r	48.2
Industrial Group	55.8	54.2r	51.1r	52.9r	53.1
Nonindustrial Group	58.9	57.9r	57.9r	60.0r	58.7
Sense of Diffusion	1	1	1	1	1

SUBGROUP DIFFUSION INDEXES

Industrial Subgroups

Production	58.1	64.1	64.5r	64.5r	59.8
Labor	50.9	47.3r	41.2r	45.0r	45.4
Miscellaneous	64.7	56.4	55.8	55.1	62.2

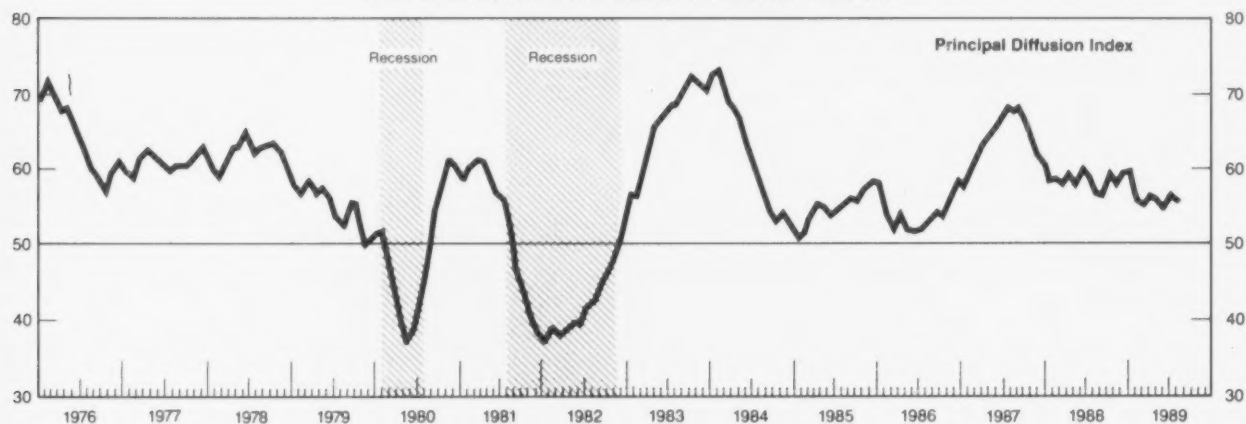
Nonindustrial Subgroups

Prices	42.9	59.0	58.3	58.3	57.7
Consumer	67.1	64.5r	59.4r	60.3r	66.2
Building	57.4	46.8	53.8	53.2r	45.5
Miscellaneous	62.4	58.1	59.0	65.4	60.7

Note: The principal diffusion index reflects the frequency of rises in 20 component series over the 12-month period ending in the month indicated. The index is based on the direction of change, not the magnitude of change, from month to month. Each component series carries equal weight in the index, but the direction of recent changes is weighted more heavily than are earlier changes. If, for example, 10 component series rose and 10 declined in each of the last 12 months, the current index would be higher than 50 because the data over the latest six-month period are weighted more heavily than data from the earlier six-month period. On the other hand, if all 20 series rose in each of the last six months, after declining in each of the prior six months, weighting would make the current index considerably greater than 50. See Morton Ehrlich, "Using The Conference Board's Diffusion Indexes," The Conference Board *RECORD*, July, 1966.

e-estimate r-revised

The Conference Board Diffusion Index



BUSINESS EXECUTIVES' EXPECTATIONS

	1986	1987				1988				1989		
	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Nov.
	Score (scale 0-100)											
Measure of Business Confidence	51	55	55	59	47	51	58	56	51	48	48	49
1. Appraisal of Current Economic Conditions Compared With Six Months Ago	50	56	55	62	50	49	64	65	54	52	48	47
2. Expectations for Economy, Six Months Ahead	51	54	53	56	43	50	54	51	48	43	47	48
3. Expectations for Own Industry, Six Months Ahead	53	56	56	58	48	54	55	53	51	48	50	51

The Measure of Business Confidence is the average of the scores for the three primary questions in the survey. Respondents have five reply options for each question; a score for each question is determined by assigning the following values to the replies and calculating the average value of the replies to the question: Substantially Better—100; Moderately Better—75; Same—50; Moderately Worse—25; Substantially Worse—0. The score for each question, and the overall Measure of Business Confidence, thus can range from 0 to 100.

ECONOMIC FORECASTS

		U.C.L.A. ¹ Business Forecasting Project		Merrill Lynch ¹ Capital Markets		E.I. duPont ¹ de Nemours & Co.		Georgia State University ¹	
Date of Forecast		Sept., 1989		Sept., 1989		Sept., 1989		Sept., 1989	
		Level	Percent Change	Level	Percent Change	Level	Percent Change	Level	Percent Change
Gross National Product Billions of Current Dollars									
Actual	1989 II	\$5201.7	7.1%	\$5201.7	7.1%	\$5201.7	7.1%	\$5201.7	7.1%
Forecast	1989 III	5259.3	4.5	5276.3	5.9	5285.5	6.6	5276.3	5.9
	IV	5295.0	2.7	5354.6	6.1	5358.8	5.7	5356.5	6.2
	1990 I	5355.9	4.7	5442.0	6.7	5425.6	5.1	5428.4	5.5
	II	5442.0	6.6	5538.0	7.2	5490.2	4.8	5510.5	6.2
	III	5526.7	6.4	5635.4	7.2	5568.3	5.8	5593.1	6.1
	IV	5603.3	5.7	5732.5	7.1	5645.5	5.7	5691.6	7.2
	1991 I	5710.4	7.9			5746.5	7.4	5781.2	6.4
	II	5825.1	8.3			5852.5	7.6	5878.5	6.9
	III	5934.2	7.7			5967.7	8.1		
	1989 Annual	5217.3	6.9	5236.4	7.3	5239.8	7.4	5236.9	7.3
	1990 Annual	5482.0	5.1	5587.0	6.7	5532.4	5.6	5555.9	6.1
Gross National Product Billions of Constant (1982) Dollars									
Actual	1989 II	\$4132.5	2.5%	\$4132.5	2.5%	\$4132.5	2.5%	\$4132.5	2.5%
Forecast	1989 III	4140.8	0.8	4155.7	2.3	4152.0	1.9	4161.1	2.8
	IV	4129.1	-1.1	4172.7	1.6	4167.0	1.5	4184.8	2.3
	1990 I	4133.8	0.5	4191.6	1.8	4180.0	1.3	4198.3	1.3
	II	4157.4	2.3	4216.5	2.4	4191.0	1.1	4212.9	1.4
	III	4179.7	2.2	4242.5	2.5	4212.0	2.0	4227.6	1.4
	IV	4199.1	1.9	4267.5	2.4	4232.0	1.9	4253.8	2.5
	1991 I	4237.5	3.7			4263.0	3.0	4269.7	1.5
	II	4282.5	4.3			4297.0	3.2	4290.9	2.0
	III	4321.1	3.7			4337.0	3.8		
	1989 Annual	4127.3	2.6	4141.9	2.9	4139.6	2.9	4146.3	3.0
	1990 Annual	4167.5	1.0	4229.5	2.1	4203.8	1.6	4223.2	1.9
Gross National Product deflator Index, 1982 = 100									
Actual	1989 II	125.9	4.5%	125.9	4.5%	125.9	4.5	125.9	4.5%
Forecast	1989 III	127.0	3.7	127.0	3.5	127.3	4.6%	126.8	3.0
	IV	128.2	3.9	128.3	4.4	128.6	4.2	128.0	3.8
	1990 I	129.6	4.2	129.8	4.8	129.8	3.8	129.3	4.1
	II	130.9	4.2	131.3	4.7	131.0	3.8	130.8	4.7
	III	132.2	4.1	132.8	4.6	132.2	3.7	132.3	4.7
	IV	133.4	3.7	134.3	4.6	133.4	3.7	133.8	4.6
	1991 I	134.8	4.0			134.8	4.3	135.4	4.9
	II	136.0	3.8			136.2	4.2	137.0	4.8
	III	137.3	3.9			137.6	4.2		
	1989 Annual	126.4	4.2	126.4	4.2	126.6	4.4	126.3	4.1
	1990 Annual	131.5	4.1	132.1	4.5	131.6	4.0	131.6	4.2
Unemployment Rate									
Actual	1989 II		5.3%		5.3%		5.3%		5.3%
Forecast	1989 III		5.2		5.2		5.2		5.2
	IV		5.4		5.3		5.4		5.1
	1990 I		5.6		5.3		5.5		5.2
	II		5.7		5.3		5.6		5.3
	III		5.8		5.3		5.7		5.4
	IV		5.9		5.3		5.7		5.4
	1991 I		5.8				5.7		5.5
	II		5.7				5.6		5.5
	III		5.6				5.5		
	1989 Annual		5.2		5.2		5.3		5.2
	1990 Annual		5.7		5.3		5.6		5.3

Notes: Percentage changes represent compound annual rates of change from preceding period. Quarterly data are seasonally adjusted.

¹Based on revised (second revision) second quarter data.

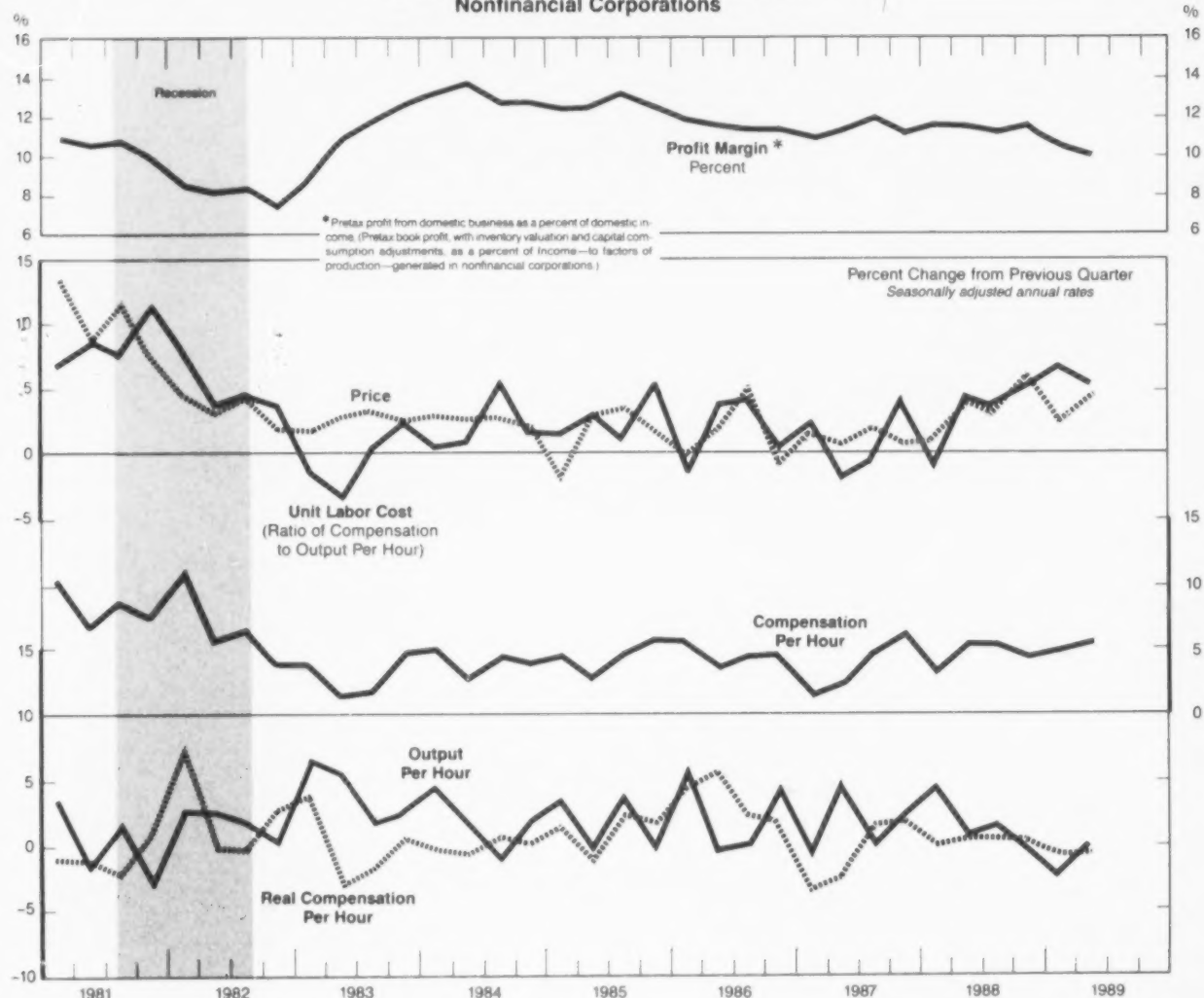
ECONOMIC FORECASTS (continued)

The Conference Board ²		Laurence H. Meyer ¹ Associates, Inc. ¹		Data Resources Inc. ¹		Wharton E.F.A. Inc. ¹				
Sept., 1989		Sept., 1989		Sept., 1989		Sept., 1989		Date of Forecast		
Level	Percent Change	Level	Percent Change	Level	Percent Change	Level	Percent Change			
Gross National Product Billions of Current Dollars										
\$5201.7	7.1%	\$5201.7	7.1%	\$5201.7	7.1%	\$5201.7	7.1%	II	1989	Actual
5281.0	6.2	5267.6	5.2	5277.0	5.9	5277.7	6.0	III	1989	Forecast
5348.0	5.2	5338.1	5.5	5335.6	4.5	5360.5	6.4	IV		
5389.0	3.1	5418.3	6.1	5405.6	5.3	5448.9	6.8	I	1990	
5462.0	5.5	5494.0	5.7	5472.1	5.0	5533.6	6.4	II		
5557.0	7.1	5567.6	5.5	5541.1	5.1	5625.0	6.8	III		
5662.0	7.8	5639.0	5.2	5628.3	6.4	5717.8	6.8	IV		
		5733.5	6.9	5743.6	8.4	5822.4	7.5	I	1991	
		5822.3	6.3	5861.5	8.5	5924.9	7.2	II		
		5914.2	6.5	5975.1	8.0	6029.8	7.3	III		
5236.0	7.3	5230.1	7.2	5231.8	7.2	5238.3	7.3	Annual	1989	
5517.5	5.4	5529.7	5.7	5511.8	5.4	5581.3	6.5	Annual	1990	
Gross National Product Billions of Constant (1982) Dollars										
\$4132.5	2.5%	\$4132.5	2.5%	\$4132.5	2.5%	\$4132.5	2.5%	II	1989	Actual
4155.0	2.2	4155.6	2.3	4162.6	2.9	4160.4	2.7	III	1989	Forecast
4165.1	1.0	4173.0	1.7	4173.0	1.0	4175.7	1.5	IV		
4155.0	-1.0	4191.4	1.8	4189.5	1.6	4192.7	1.6	I	1990	
4169.4	1.4	4211.3	1.9	4200.6	1.1	4210.8	1.7	II		
4197.1	2.7	4229.2	1.7	4213.7	1.3	4241.0	2.9	III		
4231.7	3.3	4245.4	1.5	4242.3	2.7	4269.5	2.7	IV		
		4273.1	2.6	4285.1	4.1	4290.9	2.0	I	1991	
		4300.3	2.6	4329.5	4.2	4322.7	3.0	II		
		4329.2	2.7	4366.4	3.5	4350.3	2.6	III		
4139.9	2.8	4142.0	2.9	4143.7	3.0	4143.1	3.0	Annual	1989	
4188.3	1.2	4219.3	1.9	4211.5	1.6	4228.5	2.0	Annual	1990	
Gross National Product deflator Index, 1982 = 100										
125.9	4.5%	125.9	4.5%	125.9	4.5%	125.9	4.5%	II	1989	Actual
127.8	6.2	127.5	5.2	126.8	2.9	126.9	3.2	III	1989	Forecast
128.7	2.9	128.5	3.1	127.9	3.5	128.4	4.9	IV		
129.4	2.1	129.8	4.4	129.0	3.7	130.0	5.0	I	1990	
131.5	6.6	131.1	3.9	130.3	3.9	131.4	4.5	II		
133.3	5.7	132.2	3.5	131.5	3.8	132.6	3.8	III		
134.9	5.0	133.3	3.5	132.7	3.6	133.9	3.9	IV		
		135.1	5.3	134.0	4.2	135.7	5.4	I	1991	
		136.3	3.6	135.4	4.1	137.1	4.1	II		
		137.5	3.8	136.8	4.4	138.6	4.6	III		
126.7	4.5	126.6	4.4	126.3	4.1	126.4	4.2	Annual	1989	
132.3	4.4	131.6	4.0	130.9	3.7	132.0	4.4	Annual	1990	
Unemployment Rate										
	5.3%		5.3%		5.3%		5.3%	II	1989	Actual
	5.2		5.2		5.2		5.2	III	1989	Forecast
	5.3		5.2		5.2		5.3	IV		
	5.5		5.3		5.3		5.4	I	1990	
	5.6		5.4		5.4		5.6	II		
	5.6		5.4		5.5		5.6	III		
	5.4		5.5		5.6		5.5	IV		
			5.5		5.5		5.5	I	1991	
			5.5		5.4		5.4	II		
			5.5		5.3		5.3	III		
	5.2		5.2		5.2		5.2	Annual	1989	
	5.5		5.4		5.4		5.5	Annual	1990	

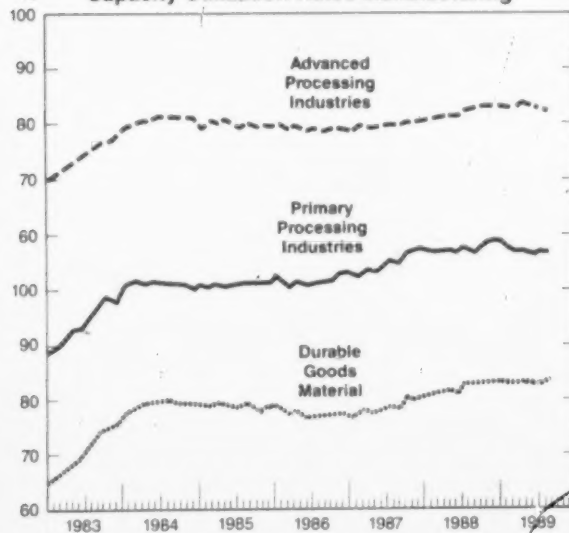
CBDB

ATTENTION DATA USERS: All data in this publication are available ONLINE in our statistical database, CBDB. For more information, contact Linette Waters at (212) 759-0900.

Key Determinants of Profit Margin Nonfinancial Corporations



Capacity Utilization Rates Manufacturing



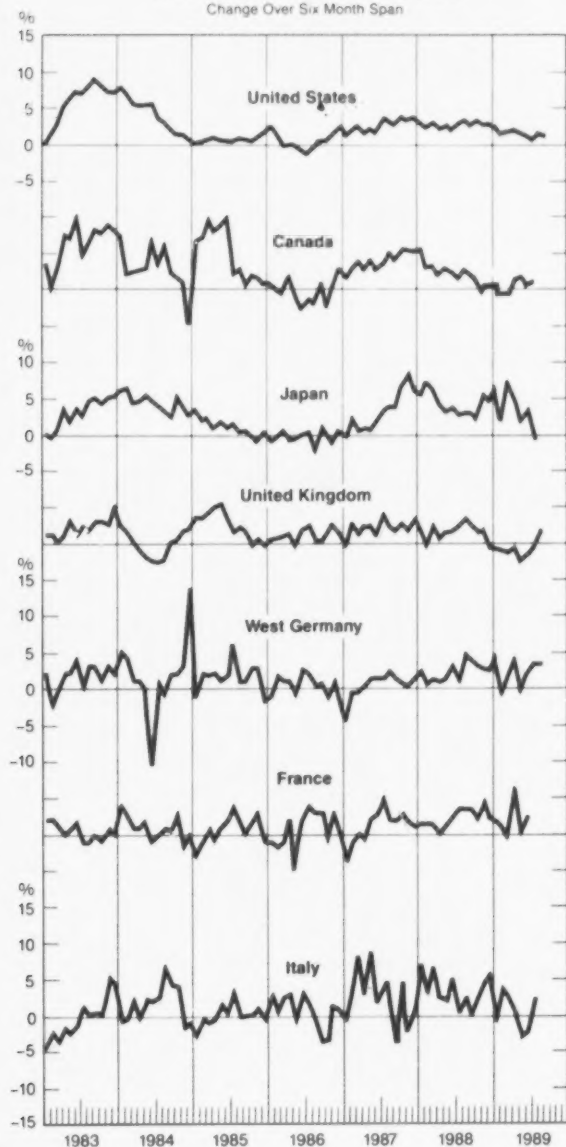
Inventory-Sales Ratios



Selected International Comparisons

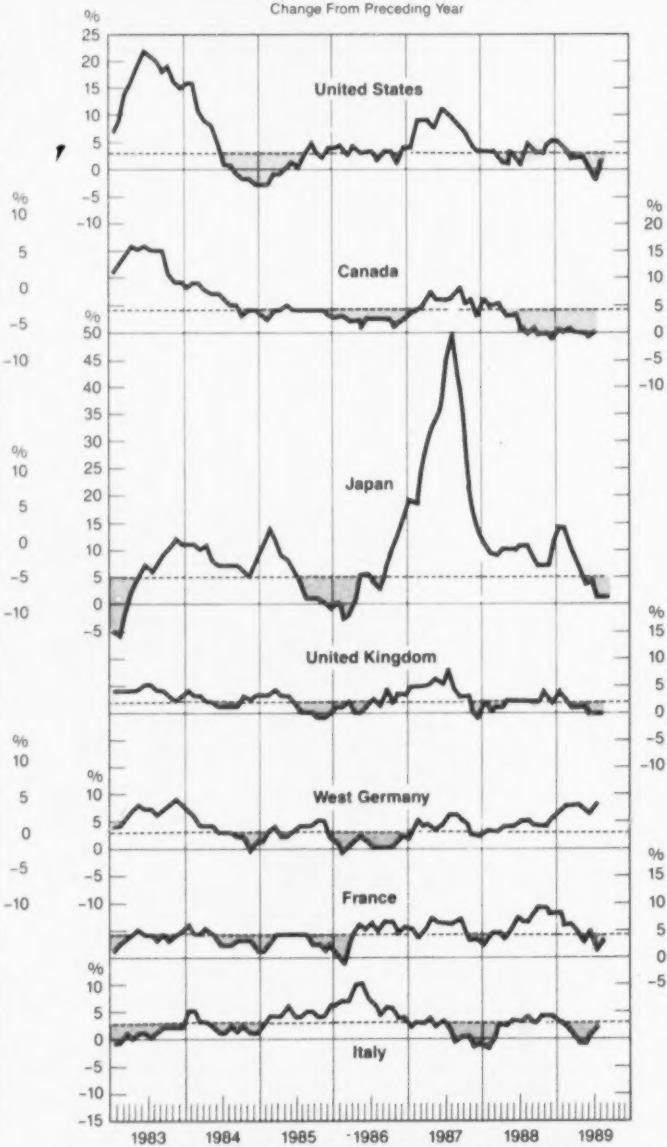
Industrial Production Indexes

Change Over Six Month Span

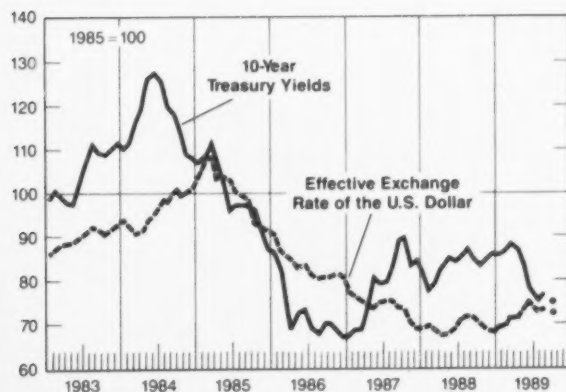


Leading Business Cycle Indexes

Change From Preceding Year

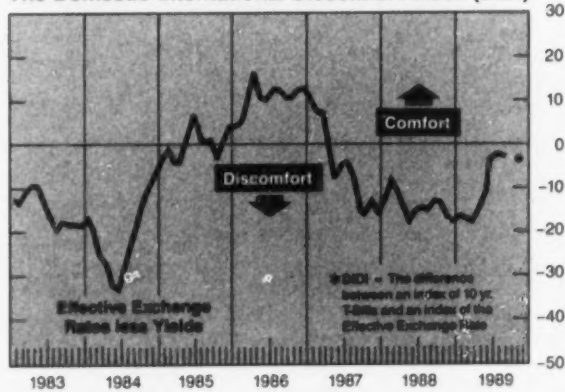


Source: Center for International Business Cycle Research, Columbia University



Sources: Morgan Guaranty Trust Company, Department of Treasury, The Sommers Letter

The Domestic-International Discomfort Index (DIDI)*



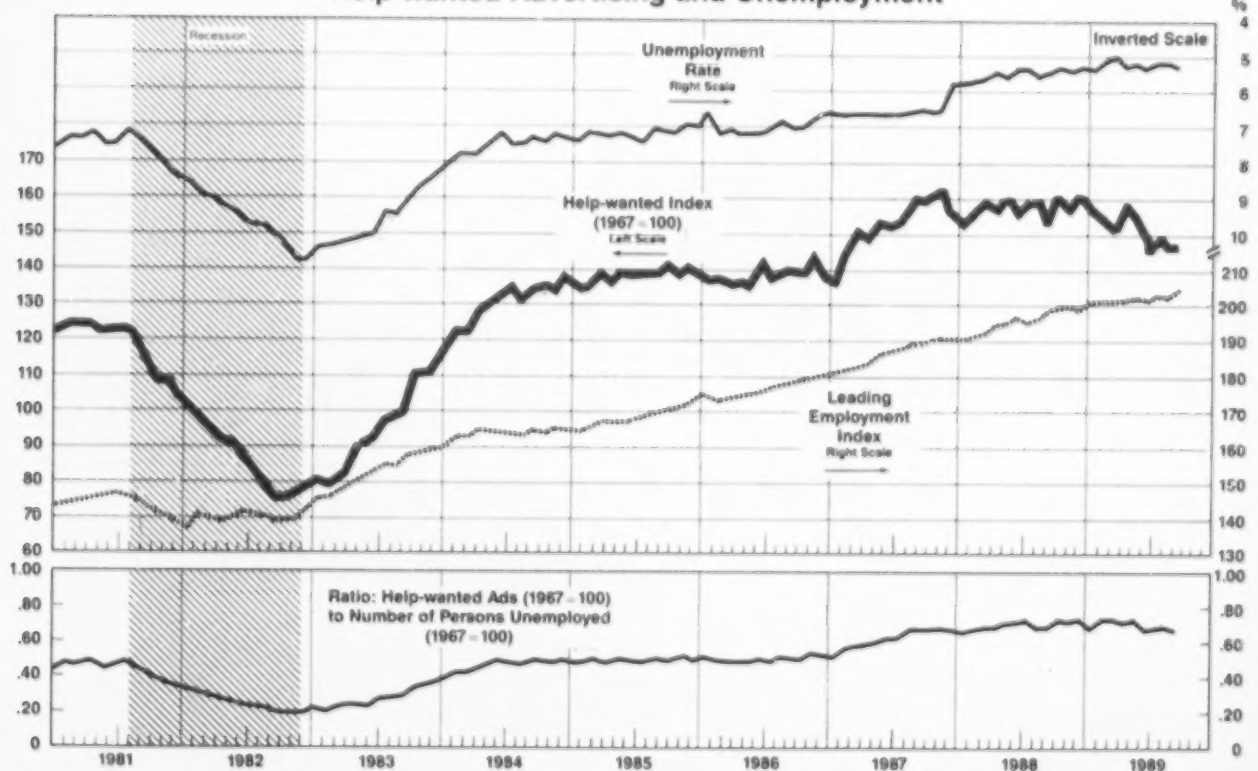
CONFERENCE BOARD HELP-WANTED ADVERTISING INDEX

Seasonally Adjusted Indexes, 1967 = 100

Locality	1989 Sep.	1989 Aug.	1989 July	1988 Sep.	1989 Sept.	1989 Aug.	1989 July	1988 Sept.
National Index	146	147r	150	154				
New England	99	100	109	141	Charlotte	184	191	207
Boston	94	97	107	133	Jacksonville	213	212	231
Hartford	106	104	111	149	Miami	154	158r	172
Providence	110	109	115	159	Richmond	141	143r	139
					Washington, D.C.	162	160r	189
Middle Atlantic	73	74	76	85	East South Central	189	184	173
Albany	173	184	156	239	Birmingham	202	198	179
Allentown	345	330	339	395	Knoxville	336	333	318
New York	47	48	49	56	Louisville	N.A.	N.A.	N.A.
Philadelphia	58	62	66	68	Memphis	143	140	139
Pittsburgh	97	98	102	100	Nashville	249	236	224
Rochester	94	85	97	91				
Syracuse	155	151	151	171	West South Central	213	181r	203
					Dallas	146	145	146
East North Central	98	99	103	105	Houston	358	269	323
Chicago	98	99	105	110	New Orleans	140	130	144
Cincinnati	160	150	159	179	Oklahoma City	123	120	127
Cleveland	70	74	79	71	San Antonio	153	136	148
Columbus	164	174	178	171	Tulsa	169	169r	174
Dayton	87	87	90	92				
Detroit	52	54	56	58	Mountain	309	316	311
Gary	230	221	226	197	Denver	213	217	219
Indianapolis	135	137	128	129	Phoenix	381	375	364
Milwaukee	73	74	72	86	Salt Lake City	395	425	417
Toledo	120	126	131	140				
					Pacific	251	268r	261
West North Central	93	98	99	94	Los Angeles	164	174	166
Kansas City	120	129	125	118	Sacramento	556	525	515
Minneapolis	79	88	90	86	San Bernardino	327	327r	321
Omaha	185	171	182	168	San Diego	643	678	670
St. Louis	67	69	69	68	San Francisco	N.A.	260	252
					Seattle	305	292	294
South Atlantic	175	174r	184	214				
Atlanta	218	218	230	256	Percentage of papers			
Baltimore	166	159	170	266	with rising volume	53	35	63
					Unemployment rate	5.3	5.2	5.2

Note: For definitions and method, see Noreen Preston, *The Help-wanted Index* (New York: The Conference Board, 1977).
r—revised N.A.—not available

Help-wanted Advertising and Unemployment



Source: Center for International Business Cycle Research, Columbia University.

CONFERENCE BOARD INDEXES OF CONSUMER CONFIDENCE AND EXPECTATIONS

Indexes, 1985 = 100
(Seasonally Adjusted)

Consumer Confidence Index

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1985	102.0	103.1	96.1	104.4	99.6	102.6	103.2	100.9	96.0	96.1	98.1	98.2
1986	96.9	96.0	95.1	100.0	100.2	100.0	97.5	91.7	89.7	85.9	89.7	93.2
1987	85.4	91.8	95.8	97.4	103.0	102.1	105.8	110.7	115.7	115.1	100.8	107.7
1988	109.9	114.9	112.7	115.7	120.2	115.7	113.5	119.7	110.7	116.9	112.9	119.4
1989	115.8	120.7	117.4	116.6	116.7	117.2	120.4	115.4	116.3r	116.4p		

Expectations Index

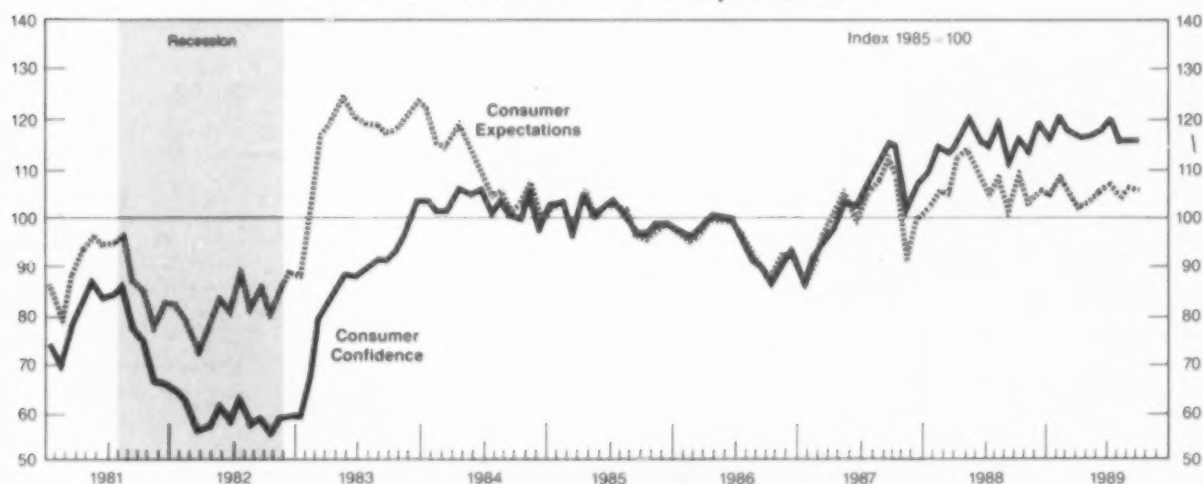
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1985	102.5	103.9	95.9	105.1	99.6	102.7	102.5	102.1	96.3	94.5	96.8	98.2
1986	96.3	94.4	95.5	99.0	99.4	99.7	96.4	92.0	89.4	86.1	92.0	92.2
1987	85.6	91.8	96.8	100.5	105.6	98.2	105.6	107.5	112.5	108.9	90.9	99.6
1988	102.2	105.5	104.9	112.8	114.4	108.6	103.7	109.4	100.1	109.3	102.0	105.6
1989	104.1	108.3	104.9	101.8	103.0	105.1	106.6	103.7	106.1r	105p		

Confidence Index measures consumer optimism in appraising economic conditions. Expectations Index, (charted below), measures consumer attitudes with regard to business conditions and employment and income levels six months hence. Data prior to May, 1981 based on survey of families. Data after May, 1981 are based on survey of households. A description of these indexes appears in The Conference Board RECORD, September, 1973.

Surveys are conducted by National Family Opinion, Inc.

p—preliminary r—revised

Consumer Confidence and Expectations



CONFERENCE BOARD ESTIMATES OF CAPITAL APPROPRIATIONS AND EXPENDITURES BY MANUFACTURERS

Billions of Dollars, Seasonally Adjusted

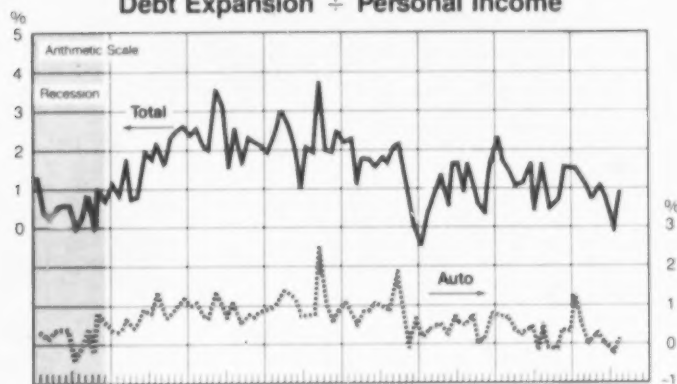
								Percent Change From Previous Year	
	1987			1988				Actual	Estimate
	III-87	IV-87	I-88	II-88	III-88	IV-88(r)	I-89(p)	1988	1989
1000 LARGEST MANUFACTURING FIRMS									
New appropriations	29 561	35 909	30 846	40 686	40 384	45 279	50 009	39%	16%
Capital expenditures	27 381	29 820	29 412	31 718	36 037	35 281	35 331	33	18
Change in appropriations backlog*	-0 080	3 510	0 650	8 760	-4 110	8 630	14 340		
Durable Goods									
New appropriations	17 208	20 245	14 310	20 261	20 791	23 547	18 129	27	14
Capital expenditures	13 970	16 037	15 780	16 910	19 526	16 657	17 032	31	28
Change in appropriations backlog*	2 930	3 810	-1 600	3 670	-1 080	6 240	1 340		
Nondurable Goods									
New appropriations	12 353	15 664	16 536	20 425	19 593	21 732	31 880	52	17
Capital expenditures	13 411	13 783	13 632	14 808	16 511	18 624	18 299	35	12
Change in appropriations backlog*	-3 010	-0 300	2 250	5 090	-3 030	2 390	13 010		

Available on request: Historical data from 1953, and quarterly reports containing text and data for 17 separate manufacturing industries.

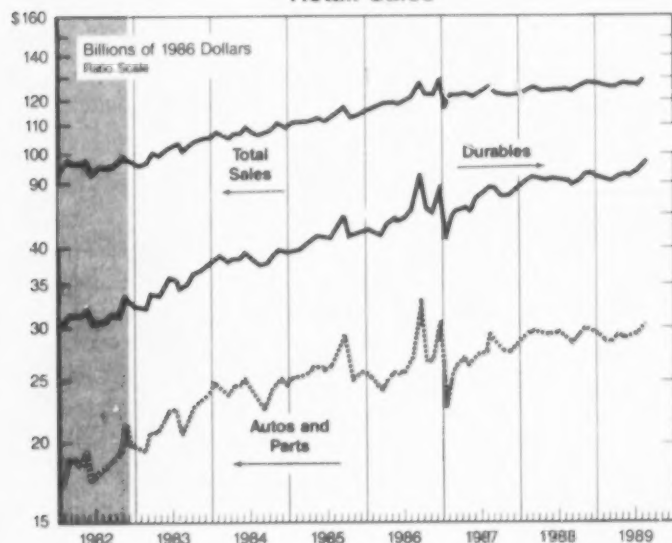
r—revised p—preliminary

* Change in Backlog = New Appropriations - (Expenditures + Cancellations and Other Adjustments).

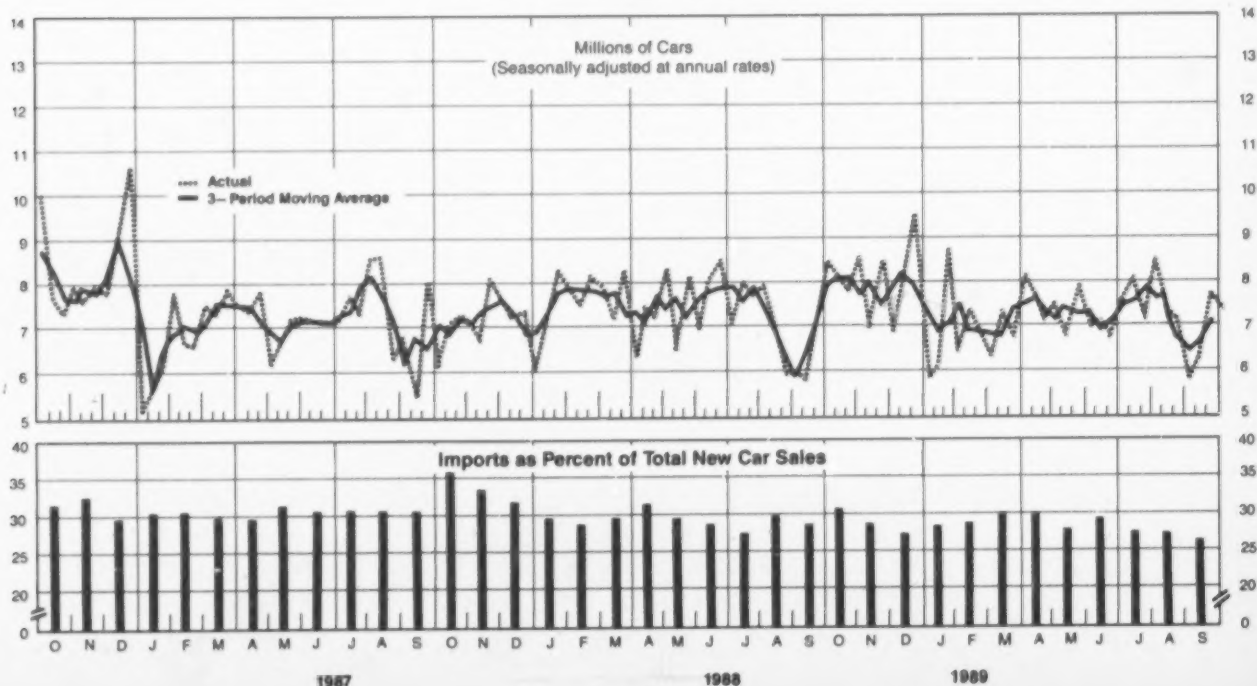
Consumer Installment Debt Expansion ÷ Personal Income



Retail Sales



Domestic—Model Car Sales



CONFERENCE BOARD ESTIMATES OF NEW AUTO SALES, BY 10-DAY PERIODS

Millions, Seasonally Adjusted at Annual Rate

Periods	1986	1987	1988	1989
January: 1-10	8.37	5.15	6.06	5.86
11-20	8.74	5.52	7.29	6.06
21-31	8.26	6.13	8.25	8.64
February: 1-10	7.88	7.78	7.83	6.40
11-20	8.95	6.64	7.44	7.37
21-28(29)	6.15	6.58	8.17	6.86
March: 1-10	7.69	7.53	7.81	6.32
11-20	7.57	7.27	7.13	7.28
21-31	6.52	7.81	8.28	6.74
April: 1-10	8.79	7.48	6.33	8.18
11-20	7.06	7.34	7.43	7.66
21-30	7.75	7.76	7.23	7.03
May: 1-10	8.62	6.16	8.36	7.49
11-20	8.86	6.66	6.53	6.72
21-31	7.33	7.19	8.12	7.99
June: 1-10	8.48	7.21	6.88	6.93
11-20	8.04	7.13	8.00	7.09
21-30	8.39	7.09	8.48	6.74
July: 1-10	8.10	7.10	7.02	7.56
11-20	7.28	7.68	7.99	8.03
21-31	7.97	7.29	7.69	7.10
August: 1-10	7.63	8.55	7.95	8.46
11-20	7.34	8.60	7.01	7.33
21-31	8.08	6.26	5.92	7.15
September: 1-10	14.00	6.74	5.93	5.71
11-20	8.83	5.45	5.80	6.33
21-30	8.62	8.03	7.40	7.76
October: 1-10	10.04	6.13	8.43	7.30
11-20	7.67	7.10	8.08	
21-31	7.27	7.24	7.78	
November: 1-10	7.96	7.15	8.55	
11-20	7.59	6.68	6.97	
21-30	7.89	8.09	8.46	
December: 1-10	7.75	7.60	6.84	
11-20	8.77	7.22	8.31	
21-31	10.68	7.31	9.54	

Note: Dealer sales exclude exports and foreign-model cars (unless manufactured domestically.) Data from Ward's Automotive Reports are seasonally adjusted by The Conference Board. Prior data available upon request.